



# Hyundai Motor Company Q3 2019 Business Results

Oct 24, 2019



# Cautionary Statement with Respect to Forward-Looking Statements

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In the presentation that follows and in related comments by Hyundai Motor's management, our use of the words "expect," "anticipate," "project," "estimate," "forecast," "objective," "plan," "goal," "outlook," "target," "pursue" and similar expressions is intended to identify forward looking statements.

The financial data discussed herein are presented on a preliminary basis before the audit from our Independent Auditor; final data will be included in HMC's Independent auditor's report. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors. Such factors include, among others, the following : changes in economic conditions, currency exchange rates or political stability; shortages of fuel, labor strikes or work stoppages; market acceptance of the corporation's new products; significant changes in the competitive environment; changes in laws, regulations and tax rates; and the ability of the corporation to achieve reductions in cost and employment levels to realize production efficiencies and implement capital expenditures at levels and times planned by management.

We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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## Sales Summary

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Global wholesale

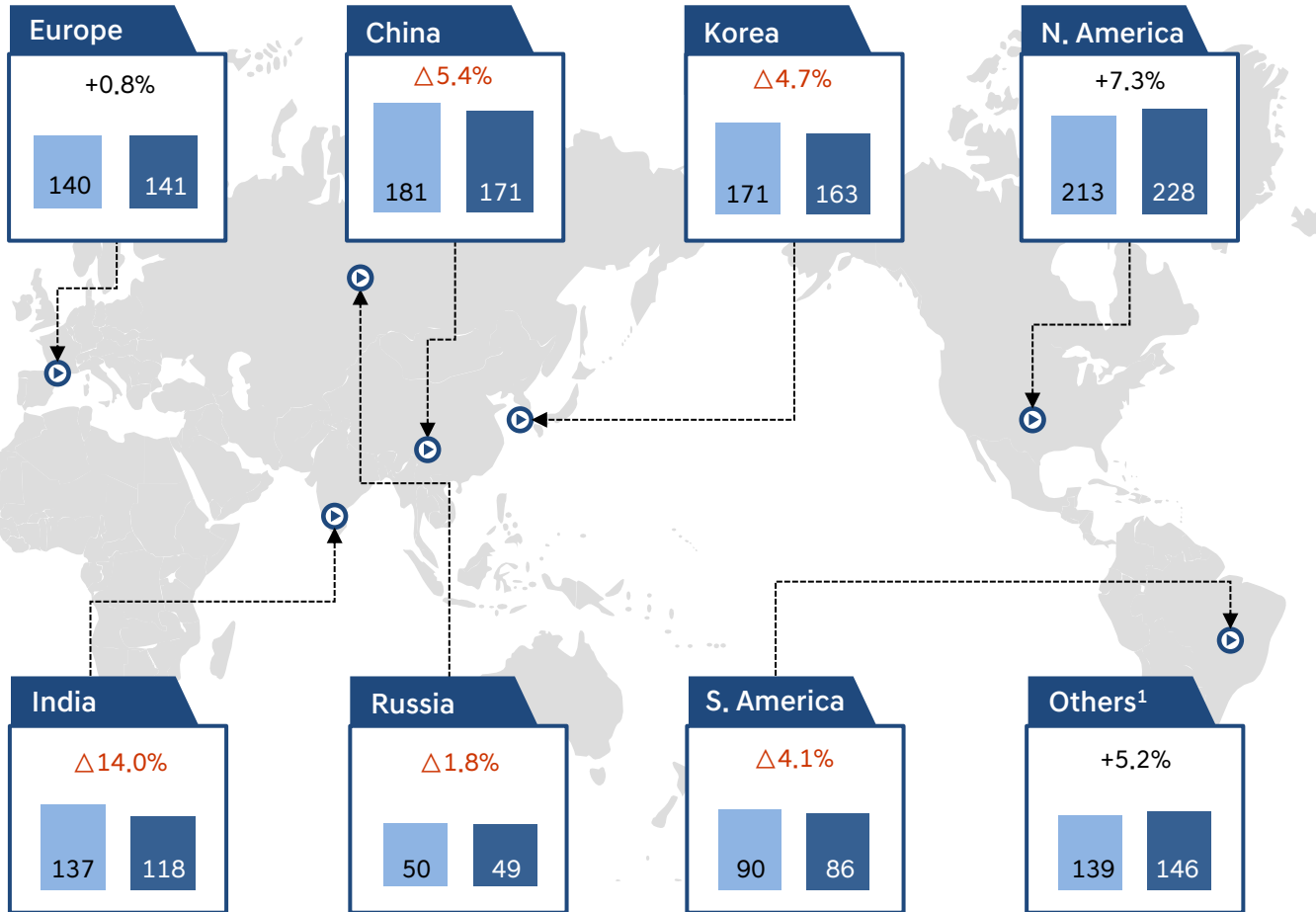
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Sales Analysis

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# Global Wholesale

■ Q3 2018 ■ Q3 2019 (Thousand units)



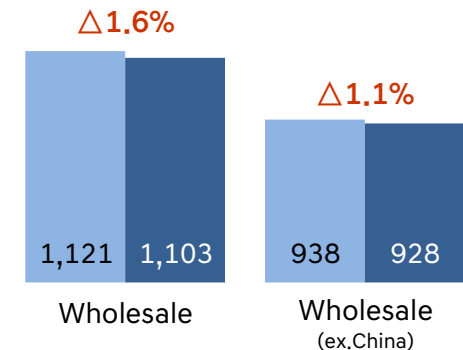
## Global Demand

(10,000 units)

	Q3 2018	Q3 2019	YoY
Korea	42.9	42.1	-1.8%
US	429.5	431.8	+0.5%
Europe <sup>2</sup>	361.2	369.0	+2.2%
China	520.4	483.0	-7.2%
India	86.4	62.2	-28.0%
Global	2,259.1	2,183.4	-3.4%

\* Based on retail sales

## HMC Global Sales<sup>3</sup>



<sup>1</sup> MEA, Asia-Pacific, Other regions, Commercial vehicles(ex. Korea CV)

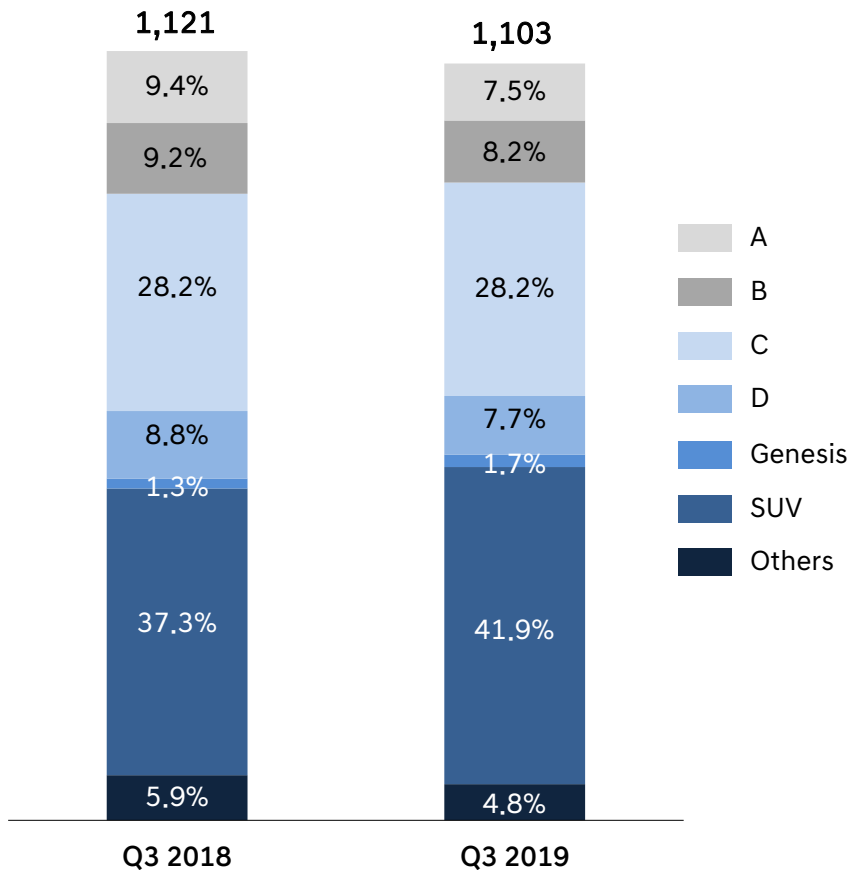
<sup>2</sup> Western Europe excluding CV

<sup>3</sup> Wholesales including CV

# Sales Analysis

## Sales by segment

(Thousand units)



## Key Growth Factors



Palisade

- Recorded more than 13K units of sales in US since its launch in June
- Domestic sales to be boosted with production capacity expansion



Kona

- Kona HEV newly added to eco-friendly vehicle line-up
- Sales of Kona EV remaining particularly strong in Europe (YoY +318%)



Venue

- Reported sales of 43K units cumulatively in India since launch in May
- First A-seg SUV in domestic market in July

## Outlook

- Enter luxury SUV market with first Genesis SUV model in Q4
- Strengthen global sales momentum from production capacity expansion of New Sonata and Palisade
- Expand eco-friendly vehicle line-up by launching Sonata HEV and Kona HEV

# Financial Summary

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# Financial Summary

(Billion KRW)

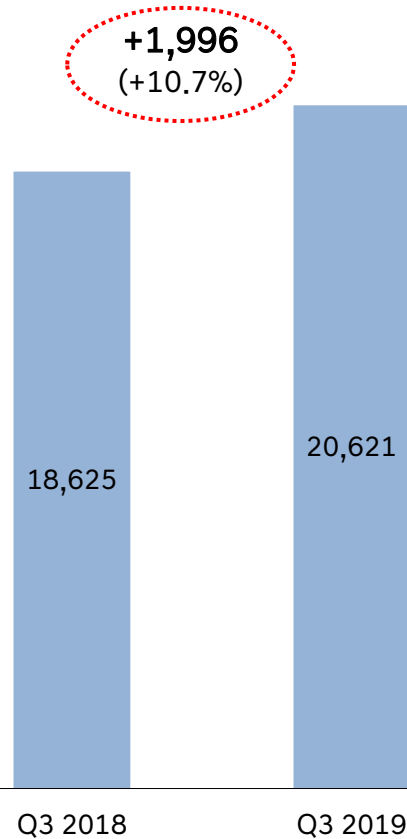
	Q3 2018	Q2 2019	Q3 2019	YoY	QoQ
<b>Revenue</b>	<b>24,434</b>	<b>26,966</b>	<b>26,969</b>	+10.4%	+0.0%
Cost of Good Sold	20,741	22,343	22,540	+8.7%	+0.9%
<b>Gross Profit</b>	<b>3,693</b>	<b>4,623</b>	<b>4,428</b>	+19.9%	△4.2%
Margin (%)	15.1%	17.1%	16.4%		
SG&A	3,404	3,385	4,050	+19.0%	+19.6%
<b>Operating Income</b>	<b>289</b>	<b>1,238</b>	<b>379</b>	+31.0%	△69.4%
Margin (%)	1.2%	4.6%	1.4%		
Non-operating Income	73	148	50	△31.2%	△65.9%
Tax	56	387	△31	-	-
<b>Net Income</b>	<b>306</b>	<b>999</b>	<b>460</b>	+50.5%	△53.9%



# Revenue by Division

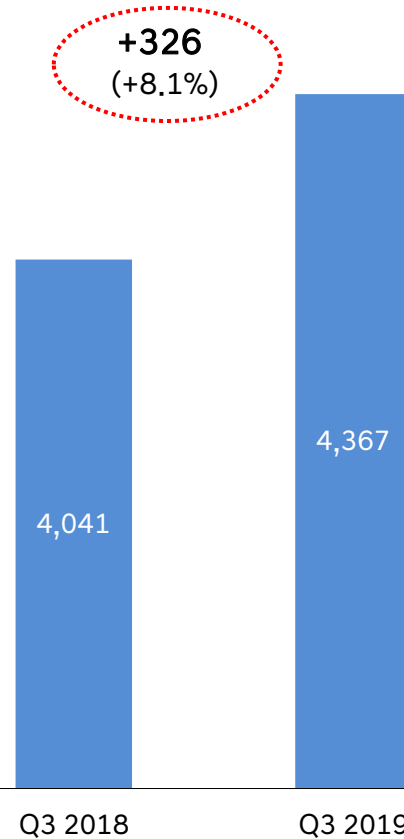
## Automotive

(Billion KRW)



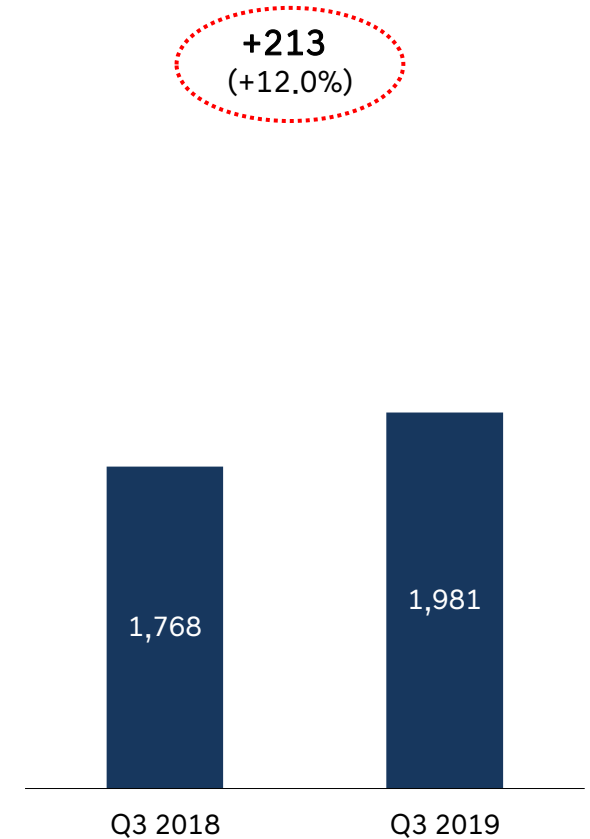
Sales growth from mix improvement

## Finance



Revenue increase thanks to growing sales volume in U.S

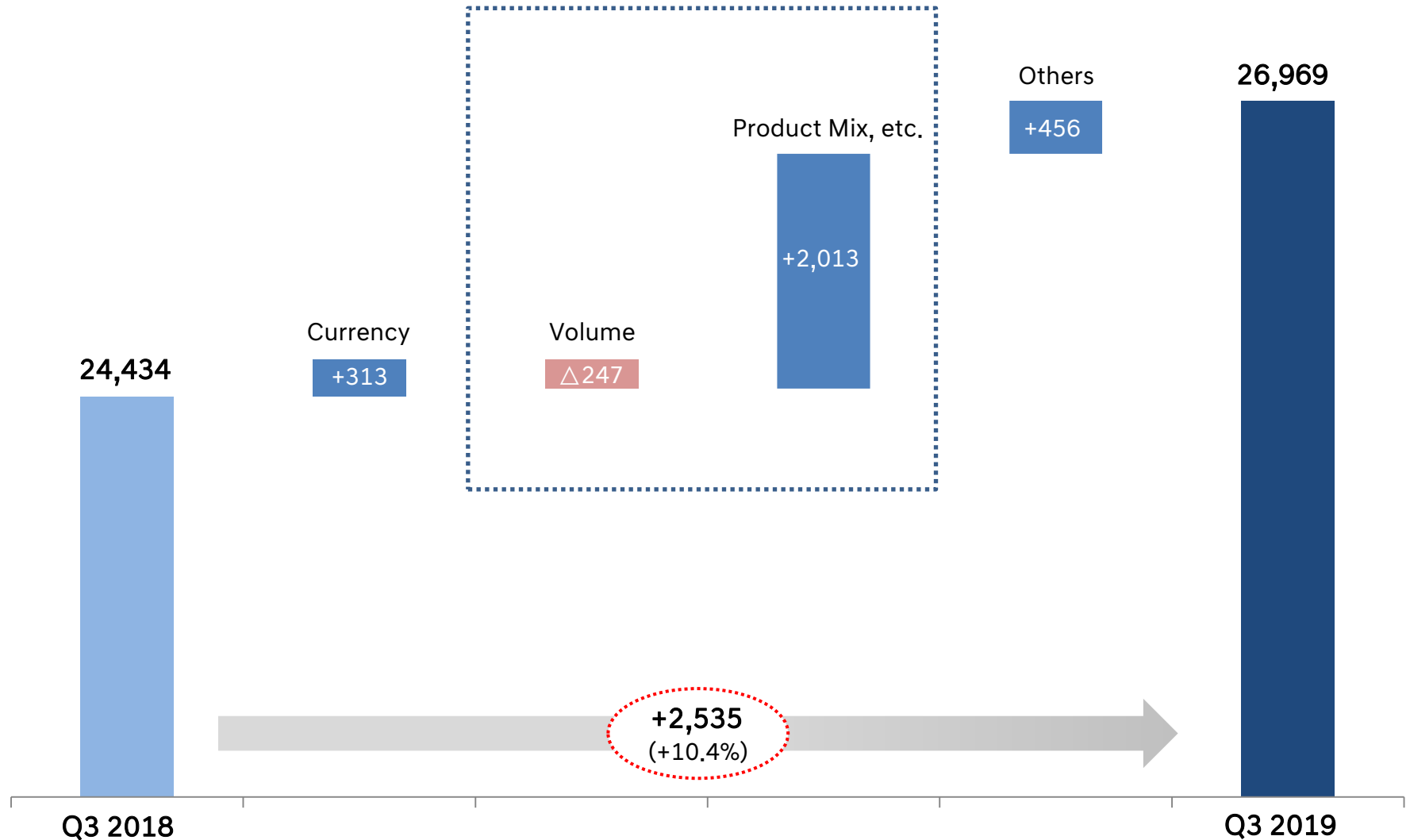
## Others



Continuous sales growth of other divisions

# Revenue Analysis

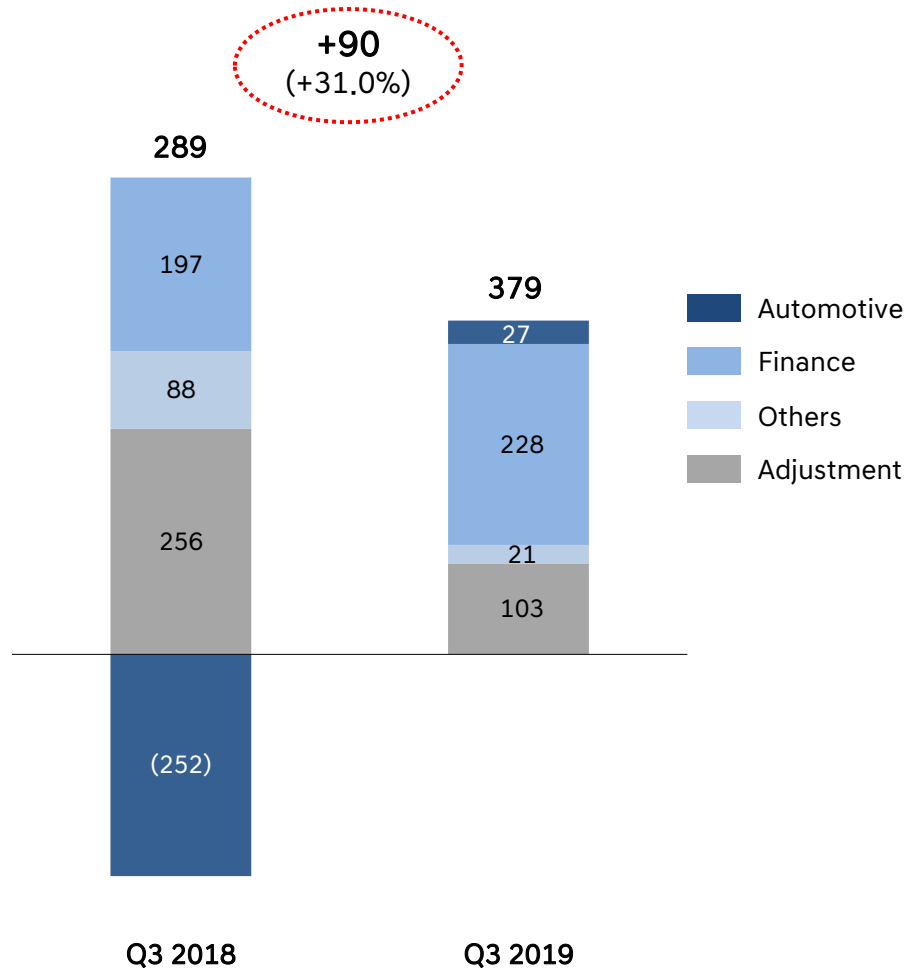
(Billion KRW)



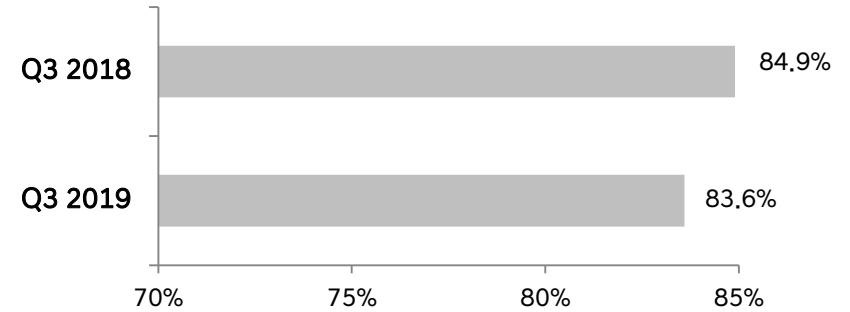
# Operating Income Breakdown

## Operating Income by Division

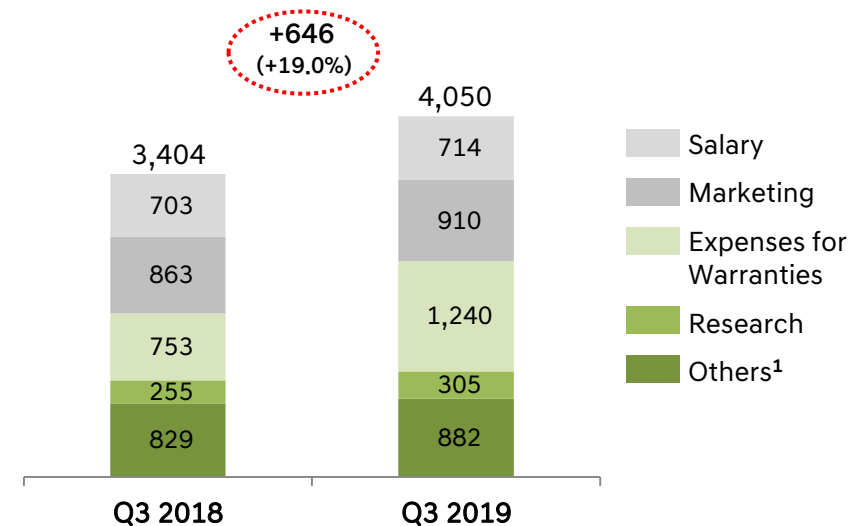
(Billion KRW)



## Cost of good sold



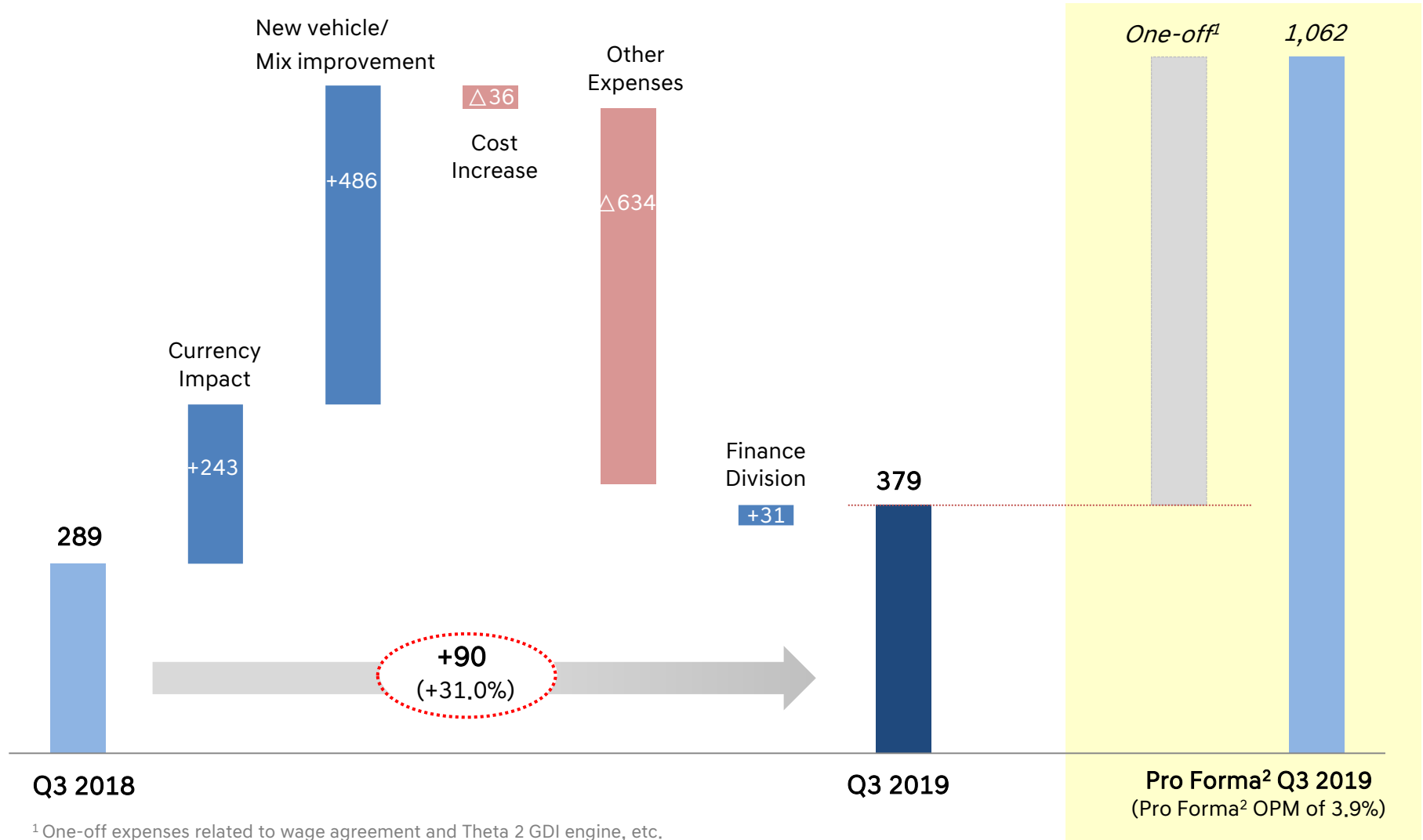
## SG&A



<sup>1</sup>Commission fees, depreciations, etc.

# Operating Income Analysis

(Billion KRW)



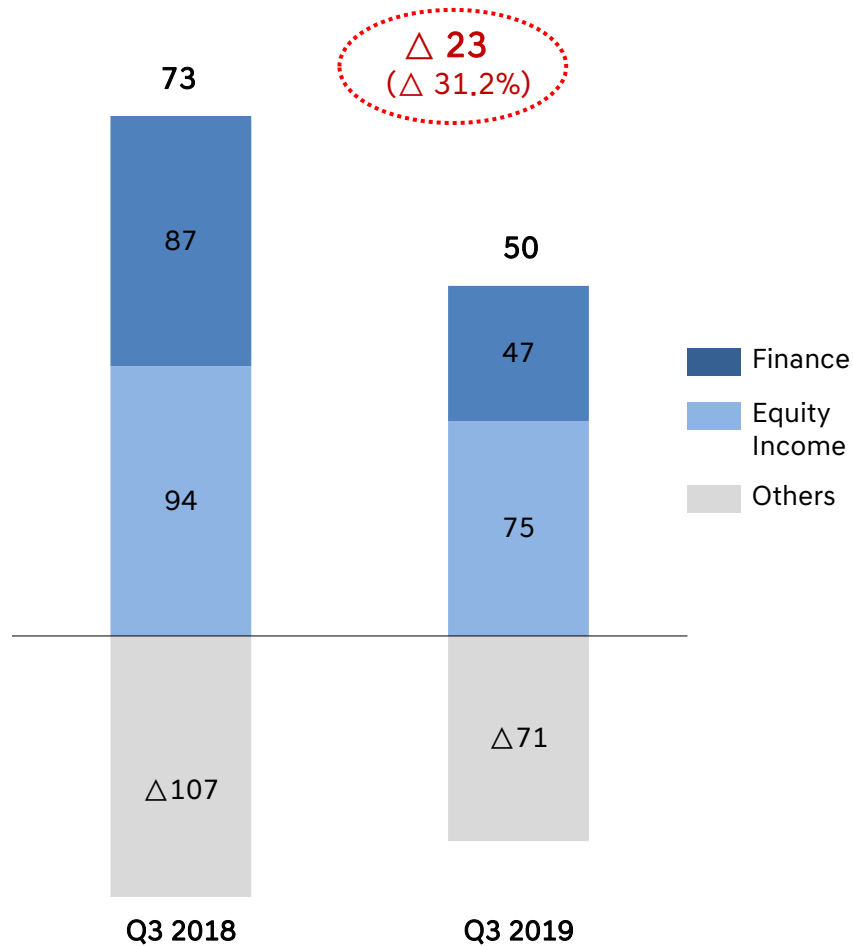
<sup>1</sup> One-off expenses related to wage agreement and Theta 2 GDI engine, etc.

<sup>2</sup> Excluding one-off expenses

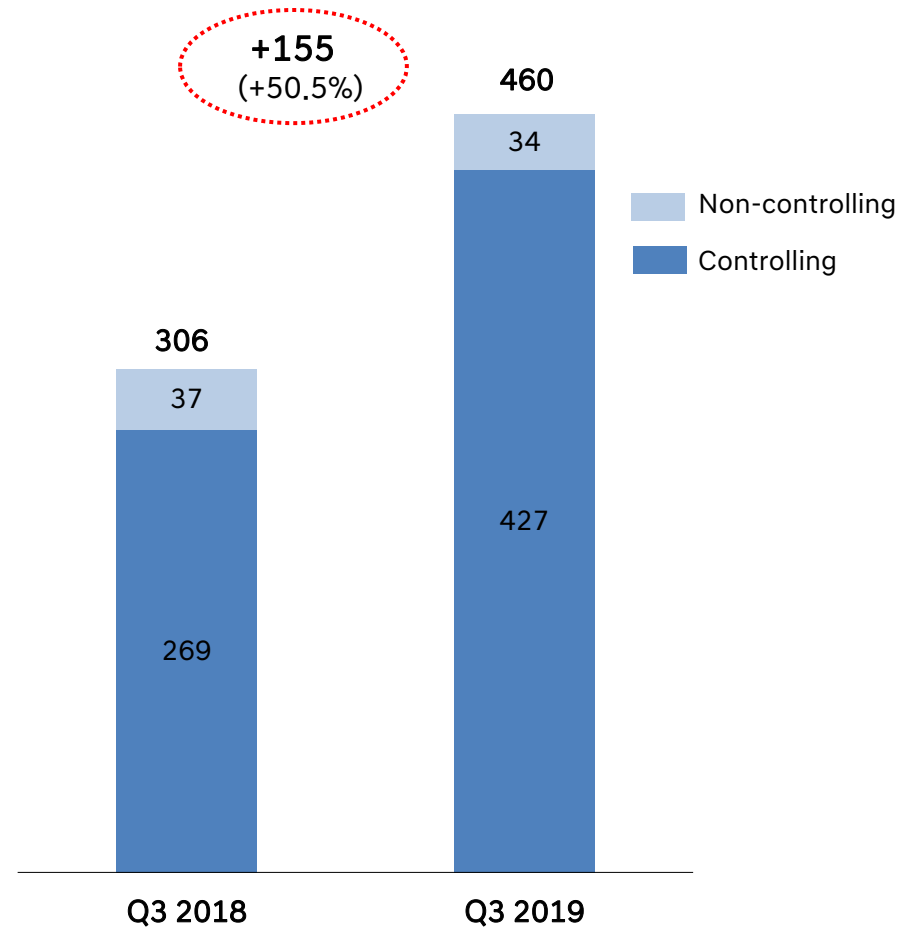
# Non-operating Income & Net Income

## Non-operating Income

(Billion KRW)



## Net Income



# Appendix

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# Retail Sales by Region

(Thousand units)	Q3 2018	2018	Q3 2019	2019	Q3 2019 Vs Q3 2018	2019 vs 2018
Korea	171	526	163	547	△4.7%	+4.1%
US	167	502	178	521	+6.8%	+3.9%
Western Europe	133	412	137	403	+3.2%	△2.1%
India	129	391	112	361	△13.2%	△7.7%
AMEA	79	216	85	241	+8.0%	+11.5%
Brazil	51	141	52	149	+2.1%	+5.8%
Russia	45	133	44	134	△1.3%	+0.6%
Others	154	447	142	411	△8.0%	△7.9%
<b>Sub-total (ex-China)</b>	<b>928</b>	<b>2,767</b>	<b>913</b>	<b>2,768</b>	<b>△1.6%</b>	<b>+0.0%</b>
China	177	526	164	516	△7.4%	△1.8%
China (CV)	2	10	1	4	△55.6%	△57.9%
<b>Total</b>	<b>1,107</b>	<b>3,302</b>	<b>1,078</b>	<b>3,288</b>	<b>△2.7%</b>	<b>△0.4%</b>

# Statement of Income

(Billion KRW)	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019	YoY	QoQ
<b>Revenue</b>	<b>24,434</b>	<b>25,231</b>	<b>23,987</b>	<b>26,966</b>	<b>26,969</b>	+10.4%	+0.0%
<b>Gross Profit</b>	<b>3,693</b>	<b>3,999</b>	<b>3,913</b>	<b>4,623</b>	<b>4,428</b>	+19.9%	△4.2%
Margin (%)	15.1	15.8	16.3	17.1	16.4		
<b>SG&amp;A</b>	<b>3,404</b>	<b>3,554</b>	<b>3,088</b>	<b>3,385</b>	<b>4,050</b>	+19.0%	+19.6%
Portion (%)	13.9	14.1	12.9	12.6	15.0		
<b>Operating Income</b>	<b>289</b>	<b>501</b>	<b>825</b>	<b>1,238</b>	<b>379</b>	+31.0%	△69.4%
Margin (%)	1.2	2.0	3.4	4.6	1.4		
<b>Income before tax</b>	<b>362</b>	<b>113</b>	<b>1,217</b>	<b>1,386</b>	<b>429</b>	+18.4%	△69.0%
Margin (%)	1.5	0.4	5.1	5.1	1.6		
<b>Net Income</b>	<b>306</b>	<b>△203</b>	<b>954</b>	<b>999</b>	<b>460</b>	+50.5%	△53.9%
Margin (%)	1.3	NM	4.0	3.7	1.7		
<b>D&amp;A<sup>1</sup></b>	<b>965</b>	<b>954</b>	<b>959</b>	<b>994</b>	<b>1,018</b>		
<b>EBITDA</b>	<b>1,254</b>	<b>1,455</b>	<b>1,784</b>	<b>2,232</b>	<b>1,396</b>		

<sup>1</sup> Including D&A from lease asset under IFRS 16



# State of Financial Position

(Billion KRW)	End-Q2 2019	End-Q3 2019	Diff.	% chg.
<b>Asset</b>	<b>188,490</b>	<b>191,670</b>	3,180	1.7%
Current Asset <sup>(a)</sup>	77,168	75,868	△1,300	△1.7%
<b>Liabilities<sup>(b)</sup></b>	<b>112,807</b>	<b>115,645</b>	2,838	2.5%
Current Liability <sup>(c)</sup>	50,466	54,258	3,792	7.5%
Debt <sup>(d)</sup>	77,091	79,668	2,577	3.3%
Provision	6,943	7,593	650	9.4%
<b>Equity<sup>(e)</sup></b>	<b>75,683</b>	<b>76,025</b>	343	0.5%
Capital Stock	1,489	1,489	-	-
Capital Surplus	4,195	4,195	-	-
Retained Earnings	67,390	67,439	49	0.1%
Current Ratio <sup>(a/c)</sup>	152.9%	139.8%		
Liability to Equity <sup>(b/e)</sup>	149.1%	152.1%		
Debt to Equity <sup>(d/e)</sup>	101.9%	104.8%		

# Cash Flows

(Billion KRW)	Q3 2018	Q4 2018	Q1 2019	Q2 2019	Q3 2019
<b>Beginning</b>	<b>8,777</b>	<b>9,336</b>	<b>9,114</b>	<b>8,953</b>	<b>9,492</b>
Net Income	306	△203	954	999	461
Depreciation	600	611	605	629	646
Amortization	364	343	314	322	325
Acquisition of Tangible	△707	△1,051	△1,047	△621	△862
Acquisition of Intangible	△376	△651	△279	△351	△418
Dividends paid	△266	-	△4	△855	△263
Others	638	729	△705	416	△172
<b>Ending</b>	<b>9,336</b>	<b>9,114</b>	<b>8,953</b>	<b>9,492</b>	<b>9,209</b>

# Thank you

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